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S E C R E T SECTION 01 OF 03 TUNIS 000223

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TAGS: [ASCH](#) [OFDP](#) [PREL](#) [TS](#)

SUBJECT: GOT OFFERS NEGOTIATIONS ON AMERICAN SCHOOL, BUT
SLAPS AMBASSADOR'S WRIST FOR "POLITICIZING" THE ISSUE

REF: TUNIS 217 AND PREVIOUS

Classified By: Ambassador Robert F. Godec for reasons 1.4 (b) and (d)

Summary

1. (S/NF) In back-to-back meetings at the Foreign Ministry today the Ambassador was given a letter from Foreign Minister Abdallah to NEA AA/S Feltman offering negotiations to resolve the American Cooperative School in Tunis (ACST) tax issue. The letter emphasized that the GOT wants to maintain friendly relations with the United States and views the school tax issue as a technical, fiscal matter. The Ambassador welcomed this opening and the prospect of negotiations, but asked the MOF to rescind the final tax decree to prevent the school's closure. His Tunisian interlocutors were dismissive about the looming May 23 deadline for payment, saying, "No one wants to close the school." On his way back to the Embassy, the Ambassador was asked to return to the Ministry. The Minister's Special Assistant, Mohamed Lessir, who had been in the first meeting, reprimanded the Ambassador for having politicized the issue by contacting several third parties, including the African Development Bank and European Ambassadors. Lessir also took issue that GRPO had raised the ACST matter with its security contacts. The Ambassador firmly rejected the assertion that it was the United States that had politicized the issue. He explained that his contacts with key stakeholders were only natural, given the schools impending forced closure. The content of these meetings represents the first clear indication that the GOT is ready to negotiate. We should take them up on their offer, and quickly. We have forwarded to NEA/MAG a draft text for Acting A/S Feltman. End Summary.

FM Response to AA/S Feltman Letter

2. (C) Ministry of Foreign Affairs Chief of Staff Mahmoud Khemiri summoned the Ambassador for the second day in a row to discuss the ACST issue. Once again accompanied by Special Assistant to the Minister and Director General for Europe Mohamed Lessir, as well as Elyes Kasri, Director General for the Americas and Asia, Khemiri presented a letter from Foreign Minister Abdallah to AA/S Feltman, responding to AA/S Feltman's April 6 letter to Appointed Ambassador Mansour in Washington. The text of the original Arabic letter, along with Embassy's unofficial translation, have been emailed to NEA/MAG. The FM's letter :

-- emphasized the over 200 years of friendly relations the United States and Tunisia have enjoyed and noted that the GOT

is keen on that friendship continuing;

-- argued that the tax matter faced by ACST is a fiscal and "purely technical" issue with no political aspect, and noted surprise that AA/S Feltman's letter alluded to possible impacts on bilateral relations, which "cannot be impacted by these technical issues";

-- expressed the readiness of the GOT to receive fiscal and legal experts from the United States as soon as possible for discussions with Tunisian fiscal authorities about the ACST issue; and

-- confirmed that the GOT is ready for dialogue to search for a solution concerning the fiscal status of the school and the lease contract in the framework of an agreement that clarifies the rights and duties of all parties.

Let's Negotiate

¶3. (C) The Ambassador thanked the Chief of Staff for the response, noting that he would transmit it to Washington. He reiterated that the United States stands ready to take part in negotiations with the GOT to resolve the issue. He emphasized, however, that such negotiations should take place in the context of discussions to clarify the school's status, and with an appreciation of 50 years of diplomatic exchanges and practice regarding the school. In addition, the Finance Ministry should, as a preliminary step, rescind its unilateral final tax decree. All of these issues could be

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taken up -- and resolved amicably -- in the context of bilateral negotiations.

What Deadline?

¶4. (C) Lessir asked whether ACST planned to exercise its right to sue the GOT. The Ambassador demurred, noting that the school is still weighing its options. The Ambassador reiterated though, that ACST will not be able to come up with even the approximately 4 million Tunisian Dinars that the MOF has said is not subject to deferment in the case of a legal suit. Lessir was dismissive about the looming deadline, noting that there are "several weeks" before May 23. The Ambassador pointed out that the GOT would have the legal authority to padlock the property and seize any valuables in the case of non-payment beginning on May 23.

Take II

¶5. (S/NF) As the Ambassador was on his way back to the Embassy, he received an urgent phone call to return to the Ministry for a meeting with the Foreign Minister. As it turned out, the second meeting was with Lessir, who was clearly performing on instruction from the Minister. Lessir, adopting a very serious tone, said that information had "come to the Ministry's attention" suggesting that the Ambassador had been in contact with the African Development Bank, other Ambassadors, and parents of ACST schoolchildren. He reprimanded the Ambassador for these contacts, noting that the German Ambassador had already called him to make an "urgent" intervention on this issue. Lessir also expressed displeasure over the fact that GRPO had raised the ACST issue with security contacts. These acts were unfortunate, Lessir said, and constituted politicization of what was a "purely technical" issue. This should have been a last resort, he said, and we're not yet at the point of last resort. The GOT's doors were always open, he continued. "We would have preferred to have kept these discussions between us."

Why? Why??

¶16. (C) Lessir said he couldn't understand why the United States take the discussion to third parties "Just tell me why," Lessir implored, dramatically. The Ambassador turned the tables on Lessir, saying, "Just tell me why, when there are so many communications between the Embassy and the GOT on the school, including a 1984 MFA diplomatic note specifying that teachers' salaries are not subject to tax, why does this mean nothing?"

No Blame Here

¶17. (C) The Ambassador was unapologetic for his consultations with key stakeholders in ACST. He reminded Lessir that the school was facing imminent forced closure, due to its inability to pay even the down payment of the assessed arrears by May 23. In the face of this sword of Damocles, the school -- and the USG -- had no choice but to prepare for the worst case scenario -- the forced closure of the school. It would have been irresponsible to have not consulted with key stakeholders. The Ambassador advised Lessir that consultations with parents have not yet taken place, but that many are already aware of the situation; a general meeting is planned for Friday, April 17. The Ambassador also rejected Lessir's assertion that the United States had politicized the issue. Notwithstanding the GOT's protestations that tax issue was a technical matter, it jeopardized the very existence of ACST, which made it a political matter for us. The Ambassador pointed out that throughout the build-up of this crisis, he had repeatedly made clear to his Tunisian interlocutors that they were provoking a crisis.

Briefing European Ambassadors

¶18. (C) After the MFA meetings, the Ambassador informed the German and several other EU Ambassadors of the new

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developments. All welcomed the possibility of progress, but agreed that we need (collectively) to keep the pressure on the GOT to resolve the ACST issue once and for all.

Comment

¶19. (C) Lessir's theatrical performance, while tedious, is evidence that our actions in Washington and Tunis have finally gotten the GOT's attention. Moreover, as the Ambassador noted in his second meeting with Lessir, Abdallah's letter represents the first clear indication that the GOT is willing to negotiate with the goal of resolving this matter in a mutually agreeable fashion. We should take them up on this offer, but stick to the condition that the MOF first rescind the final tax decree. Post will transmit to NEA/MAG recommended language for a response to the Abdallah letter. End Comment.

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<http://www.state.sgov.gov/p/nea/tunis/index.cfm>
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